



Capitalist, drawn by [George Grosz](#)

Value, Price and Profit

This is a course on Marx's [“Capital”, Volume 1](#) (to be followed at once by a course on Volumes 2 and 3). In the next part we begin the book itself, with Chapter 1 of Volume 1. In this instalment we conclude our preliminary look at the preceding literature.

[“Wage Labour and Capital”](#) gave us notice of the “problematic” faced by Karl Marx in 1847. By 1857 most of the theoretical problems had been solved. By 1863 Marx had a sketch plan that closely resembled the shape of the full Volume 1 that was published four years later in 1867. By 1865, when he did [“Value, Price and Profit”](#) (see the attached documents), Marx had no doubt solved the literary

problems of the work, and was by now able to summarise in a concise way, if necessary.

This short work, “Value, Price and Profit”, has served various purposes. It debunks the argument, still used by employers today, that wage rises will cause unemployment. Hence “Value, Price and Profit” has been a mainstay for generations of shop stewards and union negotiators.

Secondly, and prefiguring Lenin’s argument against “Economism” four decades later in “What is to be Done?”, it states clearly that trade unionism, without political organisation, will never succeed in throwing off the yoke of capital (see the excerpt from Chapter 14, attached).

This abridged version of “Value, Price and Profit” can also to some extent serve as a “mini-Capital”, or in other words as the short version of “Capital” that many people crave. It will at least help us to get a better grip on some of the key concepts such as Labour, Value, Labour-Power, Surplus-Value and Profit.

The two quoted paragraphs that follow below are particularly instructive. Hobbes’ 1651 book “[Leviathan](#)” was a tremendous groundbreaker; Karl Marx noticed that Hobbes had “*instinctively hit upon this point overlooked by all his successors*”, namely the distinction between Labour-Power and Labour, which Marx had worked so hard and so long to see clearly (see the remarks about the hunt for surplus value in our earlier post on **Wage Labour and Capital**).

‘What the working man sells is not directly his labour, but his labouring power, the temporary disposal of which he makes over to the capitalist. This is so much the case that I do not know whether by the English Laws, but certainly by some Continental Laws, the maximum time is fixed for which a man is allowed to sell his labouring power. If allowed to do so for any indefinite period whatever, slavery would be immediately restored. Such a sale, if it comprised his lifetime, for example, would make him at once the lifelong slave of his employer.

‘One of the oldest economists and most original philosophers of England — Thomas Hobbes — has already, in his [“Leviathan”](#), instinctively hit upon this point overlooked by all his successors. He says: "the value or worth of a man is, as in all other things, his price: that is so much as would be given for the use of his power." Proceeding from this basis, we shall be able to determine the value of labour as that of all other commodities.’

“Value, Price and Profit” includes a counter-intuitive surprise in Marx’s statement that: “Profit is made by Selling a Commodity at its Value” (top of page 8 in our download version). Capitalism would still exist, even if it could shed its nasty price-gouging habits; because capitalism is not a simple swindle, but it is a system and a class relationship.

Capitalism would also still exist if Labour Power was always paid for at its full value.

The source of the “self-increase of capital” is located in the workplace, and not in the marketplace.

- The above serves to introduce the original reading-text: [Marx's “Value, Price and Profit”, 1865, Chapters 6 to 10](#) and [excerpt from Chapter 14](#).
- To download any of the CU courses in PDF files [please click here](#).